

AMENDED IN SENATE JUNE 20, 2012
AMENDED IN SENATE JUNE 14, 2012
AMENDED IN SENATE JUNE 6, 2012
AMENDED IN SENATE MAY 1, 2012
AMENDED IN SENATE APRIL 9, 2012
AMENDED IN SENATE FEBRUARY 15, 2012
AMENDED IN ASSEMBLY MAY 27, 2011
AMENDED IN ASSEMBLY MARCH 29, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 484

Introduced by Assembly Member Alejo
(Principal coauthor: Assembly Member Knight)
(Coauthor: Senator Runner)

February 15, 2011

An act to add and repeal Section 7074.4 of the Government Code, relating to enterprise zones.

LEGISLATIVE COUNSEL'S DIGEST

AB 484, as amended, Alejo. Enterprise zones: expiration of designation.

The Enterprise Zone Act requires the Department of Housing and Community Development to administer the act and to designate no more than 42 enterprise zones at any one time that may be proposed by a city, county, or city and county from applications selected on the basis of the most effective, innovative, and comprehensive regulatory, tax

program, and other incentives in attracting private sector investment in the zone proposed. The act specifies that any enterprise zone designated by the department on or after January 1, 1997, may not exceed a designation period of 15 years. Existing law also authorizes an expiring enterprise zone that applies for a new enterprise zone designation and receives a conditional designation letter from the department, to offer, and a taxpayer doing business within the geographic boundaries of the new zone referenced in the conditional designation letter is eligible to receive, all enterprise zone benefits until the department makes a final designation or declines to redesignate the zone, as specified.

This bill would authorize an enterprise zone that expired in 2012 that sent a letter to the department in 2012 expressing the intent of the jurisdiction to reapply for a new enterprise zone designation before the expiration of the designation of the enterprise zone. The bill would provide that if that letter was sent and, if before the expiration of the designation of the enterprise zone, the department has not issued a request for proposal and has not conditionally designated the maximum number of enterprise zones within the state, the enterprise zone shall be deemed to be temporarily extended and businesses within the geographic boundaries of the previous enterprise zone may continue to be eligible to receive all enterprise zone benefits. The bill would provide that the temporary extension of an enterprise zone pursuant to this section shall continue until the earlier of December 31, 2014, or the date that the department issues conditional designation letters to the maximum number of enterprise zones within the state. The bill would also require the department to notify the Franchise Tax Board within 60 days of any extension of an enterprise zone designation pursuant to these provisions. The bill would also require the department to notify the Franchise Tax Board within 60 days of the expiration of any enterprise zone pursuant to these provisions. *The bill would require an enterprise zone that was temporarily extended pursuant to the provisions of this act to meet certain requirements, including submitting a report to the department and not exceeding the size of the previous enterprise zone by more than 10%. The bill would require the Employment Development Department and the State Department of Education to take certain steps to assist individuals who reside in an enterprise zone temporarily extended pursuant to these provisions. The bill would repeal these provisions on January 1, 2015.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 7074.4 is added to the Government Code, to read:

7074.4. (a) Notwithstanding any other law, if an enterprise zone that expired in 2012 had sent a letter to the department in 2012 expressing the intent to reapply for a new enterprise zone designation before the expiration of the designation of the enterprise zone, and if, before the expiration of the designation of the enterprise zone, the department has not issued a request for proposal and has not conditionally designated the maximum number of enterprise zones within the state, the enterprise zone shall be deemed to be temporarily extended and businesses within the geographic boundaries of the previous enterprise zone shall be eligible to receive all enterprise zone benefits as of the date that the previous enterprise zone expired. The temporary extension of an enterprise zone pursuant to this section shall continue until the earlier of December 31, 2014, or the date that the department issues conditional designation letters to the maximum number of enterprise zones within the state.

(b) The department shall notify the Franchise Tax Board within 60 days of any extension of an enterprise zone designation pursuant to this section. The department shall notify the Franchise Tax Board within 60 days of the expiration of any enterprise zone pursuant to this section.

(c) *An enterprise zone temporarily extended pursuant to this section shall, by October 1, 2013, and again on December 31, 2014, submit a report to the department that shall include all of the following:*

(1) *Progress made during the period of the report relative to its goals, objectives, and commitments.*

(2) *An identification of the previous two years' funding, including in-kind funding.*

(3) *The number of new qualified employees for which certifications have been issued.*

(4) *The number of qualified employees listed by the category that he or she was eligible to become a qualified employee as described in clause (iv) of subparagraph (A) of paragraph (4) of subdivision (a) of Section 17053.74 of the Revenue and Taxation Code.*

1 (5) *The total range and the average, median, and mean qualified*
2 *employee wage rates that were certified.*

3 (6) *The number of businesses obtaining certification for qualified*
4 *employees.*

5 (7) *The industry classification, based on the North American*
6 *Industry Classification System, of businesses obtaining certification*
7 *of qualified employees.*

8 (8) *The distribution of employee certifications among industry*
9 *sectors, based on the North American Industry Classification*
10 *System.*

11 (9) *The distribution of employee certifications by the annual*
12 *receipts and asset value of the business obtaining qualified*
13 *employee certifications.*

14 (10) *The number of state-certified small businesses that*
15 *submitted qualified employee certification applications.*

16 (11) *The number of state-certified disabled veteran*
17 *owned-business enterprises that submitted applications.*

18 (d) *The aggregate size of an enterprise zone temporarily*
19 *extended pursuant to this section shall not exceed the size of the*
20 *previous enterprise zone by more than 10 percent.*

21 (e) *The Employment Development Department and the State*
22 *Department of Education shall give high priority to the training*
23 *of unemployed individuals who reside in a targeted employment*
24 *area or an enterprise zone that was temporarily extended pursuant*
25 *to this section. The Employment Development Department shall,*
26 *consistent with its duties to assist unemployed workers who are*
27 *registered in the one-stop career centers, provide letters to*
28 *unemployed prospective employees that could be used to certify*
29 *their eligibility as a person participating in a program developed*
30 *pursuant to the federal Workforce Investment Act of 1998 (Public*
31 *Law 105-220).*

32 (f) *The targeted employment area of an enterprise zone*
33 *temporarily extended pursuant to this section shall be updated*
34 *whenever data from the United States Census Bureau is available.*

35 ~~(e)~~

36 (g) *This section shall remain in effect only until January 1, 2015,*
37 *and as of that date is repealed, unless a later enacted statute, that*
38 *is enacted before January 1, 2015, deletes or extends that date.*

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